

K.A.R. 4-25-1a. Definitions. Each of the following terms, as used in this article of the department's regulations, shall have the meaning specified in this regulation:

(a) "Act" means the Kansas grain warehouse law, K.S.A. 34-101 et seq. and amendments thereto, and the implementing regulations.

(b) "Conditional storage" means a location where grain is stored that is not part of the licensed storage of a licensed public warehouse but that meets the requirements of K.A.R. 4-25-19(c) or is otherwise deemed an adequate storage location by the secretary. Conditional storage may include adequately constructed steel or concrete bins with aeration; bunkers with adequate bases, sidewalls, tarps, and aeration; or any other structure approved by the secretary.

(c) "Emergency storage" means a location where grain is stored that is not part of the licensed storage of a licensed public warehouse, does not meet the requirements of K.A.R. 4-25-19(c), and has not otherwise been deemed an adequate licensed or conditional storage location by the secretary. This term shall include ground piles with no cover or aeration and other structures that do not have an adequate base, sidewall, cover, or aeration.

(d) "Functional unit" has the meaning specified for that term in K.S.A. 34-223, and amendments thereto.

(e) "Grain" has the meaning specified for that term in K.S.A. 34-223, and amendments thereto, and shall include dry edible beans.

(f) "Unpaid grain contract" means a contract, written or verbal, under which the title of grain has been transferred to a licensed public warehouse and the grain has been delivered to the licensed public warehouse, including a licensed conditional storage or emergency storage facility of the licensed public warehouse, but payment has not been made by the licensed public

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 18 2022

ATTORNEY GENERAL

warehouse for the grain. This term shall include deferred payment contracts, price-later contracts, basis contracts, and other similar contracts. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and K.S.A. 34-223; effective P-_____.)

APPROVED

DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 18 2022

ATTORNEY GENERAL

K.A.R. 4-25-2. Record retention. (a) ~~Each public person who, as a result of licensure as a public warehouseman shall retain the following documents for at least six years after the public warehouseman is no longer liable for the grain specified in the document pursuant to the act, is liable for grain or has been liable for grain at any time during the preceding six years shall retain the following documents for all grain that the person is or was liable for during the preceding six-year period:~~

- (1) Scale tickets;
- (2) evidence of cancelled checks;
- (3) customer ledgers;
- (4) records of daily grain position;
- (5) insurance records;
- (6) warehouse receipts; and
- (7) any other document, stored electronically or by any other means, that identifies, in any way, any grain stored in the warehouse for which the person is or was liable.

(b) ~~Upon request of the secretary or the secretary's designee, a public warehouseman shall produce for inspection or review any of the documents required to be maintained in subsection (a) of this regulation~~ Any records required to be maintained pursuant to this regulation may be completed and maintained electronically, but all records shall be made available to the secretary upon request. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102, 34-228, 34-236, 34-246, 34-249a, 34-295a, 34-295b, and 34-2,104; effective March 8, 2002; amended P-_____.)

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

K.A.R. 4-25-4. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102, 34-228 and 34-237; effective March 8, 2002; revoked P-_____.)

APPROVED

DEC 29 2021

DIVISION OF THE BUDGET

APPROVED

DEC 29 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

K.A.R. 4-25-5. Storage liability reports. (a) ~~The “examiner’s copy” of all executed warehouse receipts for the previous month shall be postmarked by~~ No later than the fifth day of each month and mailed to the secretary., each public warehouseman shall provide a copy of all of the public warehouseman’s executed warehouse receipts for the previous month to the secretary. Copies of executed warehouse receipts may be provided to the secretary by electronic means. Each copy of executed warehouse receipts provided to the secretary by U.S. mail shall be postmarked no later than the fifth day of each month.

(b) Each ~~local~~ public warehouseman shall maintain current and complete records at all times with respect to all grain, including grain owned by the public warehouseman, that is stored in or handled ~~through~~ at the public warehouseman’s licensed public warehouse. These records shall include a daily summarized position ~~record showing~~ report, which shall include the following:

(1) The total quantity of each kind of grain received and shipped, ~~and the quantity of each kind of grain remaining in the warehouse at the close of each business day by the licensed public warehouse;~~ and

(2) the total quantity of each kind of grain remaining in the licensed public warehouse at the close of each business day; and

(3) the public warehouseman’s total storage obligation for each kind of grain at the close of each business day.

(c) ~~The~~ Each public warehouseman shall ~~forward~~ provide to the secretary, ~~not no~~ no later than the fifth day of each month, a ~~monthly~~ statement of stocks of grain ~~in each elevator that were stored in the licensed public warehouse through the last day of the preceding month, for each licensed warehouse location~~ reflected as a company total that includes all functional units.

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

(d) All records required to be maintained pursuant to this regulation may be completed and maintained electronically, but the records shall be made available to the secretary upon request. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-295a; effective March 8, 2002; amended P-_____.)

APPROVED

DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

K.A.R. 4-25-7. Public warehouse receipts; form. (a) The form used for Each public warehouse receipts receipt form shall conform to the provisions of comply with K.S.A. 34-239, and amendments thereto, and all other applicable sections of chapter 34 provisions of the act. Kansas statutes annotated, and amendments thereto, and shall include, as a part of the form, Each public warehouse receipt form issued to a licensed public warehouse on or after the effective date of this regulation shall include the following statement:

“The undersigned public warehouseman is not the owner of the grain covered by this receipt, ~~either~~ solely, jointly, or in common with others, unless otherwise stated ~~hereon~~ herein. It is hereby agreed that the grain herein described has been graded as ~~provided~~ required by law and may be stored with other grain of the same grade; and that this grain is stored ~~under~~ pursuant to the Kansas grain warehouse law and is subject to all of the rights, powers, privileges, and duties provided therein by chapter 34 of the Kansas Statutes Annotated. This grain is fully covered by fire, lightning, tornado, and internal explosion insurance. The storage, insurance, elevation, and other charges ~~on said~~ incurred in conjunction with the storage of this grain shall be governed by the published schedule of charges, which includes any legal change, in effect during the period from date of receipt of the grain until sold or delivered to the above named depositor or the depositor's order submitted to the secretary by the public warehouseman with whom this grain was deposited pursuant to K.S.A. 34-235, and amendments thereto.”

(b) Each public warehouse receipt issued to a licensed public warehouse for subsequent issuance to a producer shall be issued to the licensed public warehouse by a vendor authorized by the secretary and shall be issued only in electronic form. (Authorized by K.S.A. 34-102;

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

implementing K.S.A. 34-102, 34-238, and 34-239; effective March 8, 2002; amended P-

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APPROVED

DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

ATTORNEY GENERAL

K.A.R. 4-25-8. Scale tickets; inbound form. (a) ~~When a depositor leaves grain in~~ All grain delivered by a depositor to any licensed public warehouse licensed under pursuant to the provisions of chapter 34 of the Kansas statutes annotated, and amendments thereto, the grain act shall be weighed and graded as provided ~~by the laws and regulations of the state of Kansas~~ for in the act.

(b) Each scale ticket for grain deposited at a licensed public warehouse shall be plainly marked "inbound," shall be serially numbered, and shall contain ~~at some convenient,~~ in a conspicuous point location, the phrase "approved by the Kansas department of agriculture." Each ticket shall also include lines designated for the following:

- (1) The name of the licensee receiving the grain;
- (2) the date the grain was deposited;
- (3) the name of the depositor delivering the grain;
- (4) the gross weight of the grain deposited;
- (5) the tare weight of the grain deposited;
- (6) the net weight, of the grain deposited and a designation of whether the driver is was on or off the truck when the net weight was obtained;
- (7) the test weight of the grain deposited;
- (8) the price of the grain deposited;
- (9) the kind of grain deposited; and
- (10) the signature of the licensee public warehouseman or a duly authorized agent of the public warehouseman.

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

~~Each scale ticket may contain additional information if the additional information has received the prior approval of the secretary, but scale tickets shall be used only for grain received by the public warehouseman.~~

(c) ~~Each~~ Any public warehouseman ~~shall keep a copy of the~~ may include additional information on a scale tickets ticket, including voided tickets, in numerical order. However, inbound scale tickets shall be used only for grain received by the public warehouseman and shall furnish a copy of these tickets to an authorized examiner of the Kansas department of agriculture upon demand not be used for custom weighing or for any other purpose that is not expressly permitted by the act.

(d) Each public warehouseman shall maintain a copy of all inbound scale tickets, including voided tickets, in numerical order and shall furnish a copy of any inbound scale ticket to the secretary upon request. Copies of inbound scale tickets may be maintained in electronic form. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-233; effective March 8, 2002; amended P-_____.)

APPROVED

FEB 16 2022

DIVISION OF THE BUDGET

APPROVED

FEB 21 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

K.A.R. 4-25-9. Scale tickets; outbound form. (a) All grain shipped or transferred by a licensed public warehouseman ~~When, by any means of transportation except by rail or water; a public warehouseman licensed under the provisions of chapter 34 of the Kansas statutes annotated, and amendments thereto, ships or transfers grain,~~ grain shall be weighed as provided required by the laws and regulations of the state of Kansas act.

(b) Each scale ticket for grain shipped or transferred by a licensed public warehouseman by any means of transportation except rail or water shall be plainly marked "outbound," shall be serially numbered, and shall contain ~~at some convenient,~~ in a conspicuous point location on the ticket, the phrase "approved by the Kansas department of agriculture." Each ticket shall include lines designated for the following:

- (1) The name of the licensee shipping or transferring the grain;
- (2) the date of the shipment or transfer;
- (3) the name of the customer to whom the grain is being shipped or transferred;
- (4) the gross weight of the grain being shipped or transferred;
- (5) the tare weight of the grain being shipped or transferred;
- (6) the net weight of the grain being shipped or transferred; and a designation of whether the driver was is on or off the truck when the net weight was obtained;
- (7) the test weight of the grain being shipped or transferred;
- (8) the price of the grain;
- (9) the kind of grain being shipped or transferred; and
- (10) the signature of the ~~licensee~~ public warehouseman or a duly authorized agent of the public warehouseman.

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DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

~~Scale tickets may contain additional information if the additional information has received the prior approval of the secretary.~~

(c) ~~The approved~~ Any public warehouseman may include additional information on a scale ticket. However, outbound scale tickets shall be used only for grain shipped or transferred by the public warehouseman and shall not be used for custom weighing or for any other purpose or use that is not pursuant to chapter 34 of the Kansas statutes annotated, and amendments thereto, and the regulations of the Kansas department of agriculture, but shall be used only for grain shipped or transferred by the warehouseman expressly permitted by the act.

(d) Each public warehouseman shall ~~keep a copy of the~~ maintain copies of all outbound scale tickets, including voided tickets, in numerical order. The public warehouseman and shall furnish a copy of these any outbound scale tickets ticket to an ~~authorized examiner of the Kansas department of agriculture~~ secretary upon demand request. Copies of outbound scale tickets may be maintained in electronic form. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-233; effective March 8, 2002; amended P-_____.)

APPROVED

FEB 16 2022

DIVISION OF THE BUDGET

APPROVED

FEB 21 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

K.A.R. 4-25-10. Grain bank grain. (a) Grain bank grain shall be considered ~~to be the same as~~ storage grain and shall be subject to the same ~~regulations~~ requirements as those for storage grain.

(b) ~~For grain that is processed by each~~ Any public warehouseman ~~in whose~~ may waive the public warehouse the grain was originally deposited for processing, the warehouse's minimum ~~load-out~~ load-out and receiving charges ~~may be zero~~ fees for grain that is processed in the same public warehouse where the grain was originally deposited for processing.

(b) (c) Each public warehouseman shall enter all of the public warehouseman's grain bank grain ~~shall be entered into the records of the public warehouseman~~ warehouseman's records as a liability in the same manner as that for other storage grain for which the public warehouseman is liable.

(d) Grain bank grain shall be accounted for on an individual depositor basis ~~and shall not be shown as a part of the total grain bank grain obligation.~~ The records for grain bank grain shall be kept on a pound, bushel, or hundredweight basis for the grain deposited. (Authorized by K.S.A. 34-102 and 34-227b; implementing K.S.A. 34-227b; effective March 8, 2002; amended P-_____.)

APPROVED
DEC 22 2021

APPROVED
DEC 22 2021

APPROVED
FEB 04 2022

DIVISION OF THE BUDGET

DEPT. OF ADMINISTRATION

ATTORNEY GENERAL

K.A.R. 4-25-11. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-223; effective March 8, 2002; revoked P-_____.)

APPROVED
DEC 29 2021

APPROVED
DEC 29 2021

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FEB 04 2022
ATTORNEY GENERAL

K.A.R. 4-25-15. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-228; effective March 8, 2002; revoked P-_____.)

APPROVED

APR 18 2022

APPROVED

APR 23 2022

APPROVED

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DIVISION OF THE BUDGET DEPT. OF ADMINISTRATION

ATTORNEY GENERAL

K.A.R. 4-25-16. Fees and charges. (a) ~~The annual fee for a public warehouse license shall be computed as follows, based on the capacity of the public warehouse: Each public warehouseman shall pay an annual license fee, which shall be due at the time the public warehouseman submits an application for a license or an application for renewal of a license.~~ The annual license fee shall be based on the capacity of the licensed public warehouse and computed as follows:

Capacity in Bushels	Annual Fee
1 to 100,000.....	\$400.00 <u>\$570.00</u>
100,001 to 150,000.....	430.00 <u>615.00</u>
150,001 to 250,000.....	460.00 <u>655.00</u>
250,001 to 300,000.....	490.00 <u>700.00</u>
300,001 to 350,000.....	520.00 <u>740.00</u>
350,001 to 400,000.....	550.00 <u>785.00</u>
400,001 to 450,000.....	575.00 <u>818.00</u>
450,001 to 500,000.....	605.00 <u>863.00</u>
500,001 to 600,000.....	630.00 <u>895.00</u>
600,001 to 700,000.....	660.00 <u>940.00</u>
700,001 to 800,000.....	850.00 <u>1,210.00</u>
800,001 to 900,000.....	875.00 <u>1,248.00</u>
900,001 to 1,000,000.....	900.00 <u>1,280.00</u>
1,000,001 to 1,750,000.....	1,225.00 <u>1,743.00</u>
1,750,001 to 2,500,000.....	1,400.00 <u>1,995.00</u>
2,500,001 to 5,000,000.....	1,750.00 <u>2,490.00</u>

APPROVED

FEB 16 2022

APPROVED

FEB 21 2022

APPROVED

APR 07 2022

DIVISION OF THE BUDGET

DEPT. OF ADMINISTRATION

ATTORNEY GENERAL

5,000,001 to 7,500,000.....	2,100.00	<u>2,990.00</u>
7,500,001 to 10,000,000.....	2,375.00	<u>3,383.00</u>
10,000,001 to 12,500,000.....	2,600.00	<u>3,705.00</u>
12,500,001 to 15,000,000.....	2,800.00	<u>3,990.00</u>
15,000,001 to 17,500,000.....	3,000.00	<u>4,275.00</u>
17,500,001 to 20,000,000.....	3,225.00	<u>4,953.00</u>
Over 20,000,000 bushels.....	add 350.00	<u>500.00</u>

for each additional 2,500,000 bushels or any fraction thereof.

(b) ~~The charge for amending a warehouse license shall be \$300.00.~~

(e) Each public warehouseman who obtains an amended warehouse license shall pay a license amendment fee of \$300.00.

(c) ~~The charges~~ Each public warehouseman for ~~each~~ whom a special or requested examination of a warehouse is performed shall ~~consist of~~ pay the following fees:

(1) \$50.00 per hour for each examiner who is on site for the examination, with a required minimum charge ~~of~~ for four hours;

(2) subsistence expenses for each examiner who is on site for the examination; and

(3) mileage expenses for each examiner who is on site for the examination, which shall be charged, per mile driven, at the rate per mile determined by the secretary of the department of administration pursuant to K.S.A. 75-4607, and amendments thereto.

(d) In addition to the applicable license fee ~~shall be the applicable amount specified in the fee schedule in subsection (a) plus \$500 for each functional unit,~~ each public warehouseman shall pay ~~the hourly rate, subsistence, and mileage expenses identified in subsection (e) of this regulation for examinations necessitated by changes in storage capacity, including conditional~~

APPROVED

FEB 16 2022

APPROVED

FEB 21 2022

APPROVED

APR 07 2022

~~storage space of a licensed warehouse, or by the need to confirm that a warehouse is empty. Any other charge or requirement identified in statute or regulation shall apply to the conditional or empty storage space of a public warehouse~~ an annual fee of \$500.00 for each functional unit that the public warehouseman's licensed public warehouse has. However, each public warehouseman shall be entitled to a waiver of the functional unit fee for one functional unit.

(e) Each public warehouseman shall pay the hourly rate, subsistence, and mileage expenses specified in subsection (c) ~~of this regulation~~ for examinations necessitated by changes in the storage capacity of a licensed public warehouse, including the addition of conditional storage space ~~in a licensed warehouse, or by the need to confirm that a warehouse is empty. Any other charge or requirement identified in statute or regulation shall apply to the~~ All conditional or empty storage space of a each licensed public warehouse shall be subject to all other applicable fees and requirements specified in the act. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and 34-228; effective March 8, 2002; amended, T-4-12-16-03, Jan. 1, 2004; amended Feb. 6, 2004; amended P-_____.)

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DIVISION OF THE BUDGET

APPROVED

MAR 02 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

K.A.R. 4-25-19. Licensed storage, conditional storage, and emergency storage. (a) A public warehouseman shall not utilize any licensed public warehouse for grain storage until the secretary has measured the empty storage volume of the licensed public warehouse and determined that the licensed public warehouse is adequate to store grain in a manner that will maintain the condition of the grain.

(b) Any public warehouseman who takes possession of a grain storage facility, including as the result of an acquisition or merger, may utilize the facility for grain storage upon assuming ownership of the facility and obtaining all required licensure if the secretary has previously measured the empty storage volume of the facility and determined that the facility is adequate to store grain in a manner that will maintain the condition of the grain.

(c) The determination of whether each grain storage facility is adequate to store grain in a manner that will maintain the condition of the grain shall be made by the secretary and shall be based on the following:

(1) Whether the facility is constructed of base material that is adequate to maintain the condition of stored grain, including concrete, asphalt, rock, or other material approved by the secretary;

(2) whether the facility uses rigid, self-supporting sidewalls that provide adequate separation of different types of grain;

(3) whether the facility provides aeration adequate to maintain the condition of stored grain;

(4) whether the facility provides cover adequate to maintain the condition of stored grain, including a tarp or other material approved by the secretary; and

APPROVED

FEB 16 2022

DIVISION OF THE BUDGET

APPROVED

FEB 21 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

(5) whether the licensed grain storage facility is adequate to store grain in a manner that will maintain the condition of the grain, according to any other criteria related to the physical structure of the grain storage facility that the secretary deems relevant.

(d) Before storing grain in conditional storage space or offering emergency storage space for public use, each public warehouseman shall apply to be permitted to do so, on a form provided by the secretary, and shall obtain the secretary's written approval of the application. Each application for the use of conditional storage or emergency storage space shall include, at a minimum, the following:

- (1) The name of the licensee;
- (2) the type of grain that will be stored in conditional storage or emergency storage; and
- (3) the quantity of grain that will be stored in conditional storage or emergency storage.

(e) Each public warehouseman shall keep and maintain all grain stored in conditional storage or emergency storage in good condition and shall maintain a weighed figure reflecting the volume in bushels of all grain stored in conditional storage or emergency storage, which shall be provided to the secretary upon request. All grain stored in conditional storage or emergency storage for which a weighed figure is not available shall be accounted for according to the total bushel amount calculated by the secretary during examination of the public warehouse. Grain that the secretary determines to be in unacceptable condition shall not be accounted for during examination.

(f) Each public warehouseman shall move all corn, soybeans, edible beans, grain sorghum, and other grains for which federal grain standards have been established from

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FEB 16 2022

DIVISION OF THE BUDGET

APPROVED

FEB 21 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

conditional storage into licensed storage no later than July 1 of the year following the year in which those grains were placed into conditional storage.

(g) Each public warehouseman shall move all corn, soybeans, edible beans, grain sorghum, and other grains for which federal grain standards have been established from emergency storage into licensed storage no later than March 31 of the year following the year in which those grains were placed into emergency storage.

(h) Each public warehouseman shall move all wheat, barley, oats, and rye from conditional storage into licensed storage no later than December 31 of the year in which those grains were placed into conditional storage.

(i) Each public warehouseman shall move all wheat, barley, oats, and rye from emergency storage into licensed storage no later than August 31 of the year in which those grains were placed into emergency storage.

(j) Grain that is not moved into licensed storage by the applicable deadline specified in this regulation shall not be included in a daily position report, shall not be used to cover a warehouse receipt or any other liability, and shall not be included in any examination, unless the secretary grants a written extension of the deadline. Each application for an extension pursuant to this subsection shall be submitted in writing on a form provided by the secretary. An extension shall not provide more than 30 additional days for a public warehouseman to complete collection and storage of the grain as specified in this subsection.

Each public warehouseman shall be allowed to apply for only two extensions after the expiration of the applicable deadline specified in this subsection. Grain that is not in licensed storage space by the deadline specified in the most recently issued extension shall not be

APPROVED

FEB 16 2022

APPROVED

FEB 21 2022

APPROVED

APR 07 2022

DIVISION OF THE BUDGET

DEPT. OF ADMINISTRATION

ATTORNEY GENERAL

included in a daily position report, shall not be used to cover a warehouse receipt or any other liability, and shall not be included in any examination.

(k) Each public warehouseman who utilizes conditional storage or emergency storage space shall inform the secretary in writing when all of the grain is moved back into licensed storage.

(l) Each public warehouseman shall maintain a copy of the written request for emergency storage or conditional storage, the approval for emergency storage or conditional storage furnished by the secretary, the written request for an extension for emergency storage or conditional storage, the approval of an extension for emergency storage or conditional storage furnished by the secretary, and the written notice that all of the grain has been collected. The public warehouseman shall furnish a copy of these documents to the secretary upon request.

(m) The use of conditional storage or emergency storage shall not be permitted if the additional storage space requested will cause the licensed public warehouse to be noncompliant with any applicable provision of K.S.A. 34-228(c)(1) or K.S.A. 34-229, and amendments thereto.

(n) Conditional storage or emergency storage shall not be added to the licensed storage of a licensed public warehouse unless the request to add conditional storage or emergency storage to the warehouse's existing licensed storage is accompanied by the license amendment fee specified in K.A.R. 4-25-16.

(o) Emergency storage shall not be allowed for soybeans or dry edible beans.

(p) Each public warehouseman shall be permitted to store only one type of grain in each licensed storage, conditional storage, or emergency storage bin.

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FEB 16 2022

APPROVED

FEB 21 2022

APPROVED

APR 07 2022

(q) Each portion of the total bulk grain capacity of a licensed public warehouse that is an integral part of any unit of the licensed public warehouse and is equipped for the handling and warehousing of grain shall be included in the licensed capacity of the licensed public warehouse. However, any part of a licensed public warehouse's licensed capacity may be reserved and designated "not for public use" if the public warehouseman submits an application to the secretary requesting permission to reserve the area and designate it "not for public use" and receives the secretary's approval.

Any public warehouseman may be required by the secretary to utilize a seal, lock, or other method of segregating an area designated "not for public use" from the public use areas of the licensed public warehouse. (Authorized by K.S.A. 34-102 and K.S.A. 34-228; implementing K.S.A. 34-102, 34-228, and 34-229; effective P-_____.)

APPROVED

FEB 16 2022

DIVISION OF THE BUDGET

APPROVED

FEB 21 2022

DEPT. OF ADMINISTRATION

APPROVED

APR 07 2022

ATTORNEY GENERAL

K.A.R. 4-25-20. Undermeasurements and overmeasurements of stored grain.

(a) Each public warehouseman who is determined by the secretary during an examination to be in possession of less grain than is reflected on the licensed public warehouse's daily position report by an amount equal to or greater than either 500 bushels or 1.5 percent of the licensed public warehouse's total grain inventory, separated by commodity, shall adjust the daily position report so that the report reflects the volume of grain actually stored in the licensed public warehouse, by commodity. A public warehouseman who is determined by the secretary during an examination to be in possession of more grain than is reflected on the daily position report shall not be required to adjust the public warehouse's daily position report.

(b) For purposes of this regulation, the volume of grain stored in each licensed public warehouse shall be the volume of grain stored in the licensed public warehouse on the date and at the time that the licensed public warehouse's daily position report is provided to the secretary at the beginning of an examination. (Authorized by and implementing K.S.A. 34-102; effective P-_____.)

APPROVED

DEC 22 2021

DIVISION OF THE BUDGET

APPROVED

DEC 22 2021

DEPT. OF ADMINISTRATION

APPROVED

FEB 04 2022

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K.A.R. 4-25-21. Unpaid grain contracts. (a) Each written unpaid grain contract shall be signed by an authorized representative of the licensed public warehouse and by an authorized representative of the seller of the grain within 30 days of entering into the unpaid grain contract. Each verbal unpaid grain contract shall be evidenced by a written confirmation of the unpaid grain contract, which shall be signed by an authorized representative of the licensed public warehouse and by an authorized representative of the seller of the grain within 30 days of entering into the unpaid grain contract.

The signatures required by this subsection may be obtained by electronic or other similar means sufficient to verify that both signing parties have approved the contract or confirmation. Each unpaid grain contract shall comply with K.S.A. 34-2,111, and amendments thereto.

(b) Each public warehouseman shall maintain all unpaid grain contracts in a manner that allows the secretary to easily access and verify the contracts during inspection or examination. Unpaid grain contracts that have been fulfilled shall be stored separately from unfulfilled unpaid grain contracts or shall be clearly marked to indicate that the contracts have been fulfilled.

(Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and K.S.A. 34-2,111; effective P-_____.)

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DEPT. OF ADMINISTRATION

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K.A.R. 4-25-22. Safety of facilities. (a) Each public warehouseman shall ensure that the public warehouseman's licensed public warehouse can be safely examined and inspected.

(b) The performance of any examination or inspection of a public warehouse may be refused by the secretary if the secretary determines that the public warehouse is in such a condition that it cannot be adequately examined or inspected or that it presents a danger to the health and safety of examination or inspection personnel. A functional unit that is not examined due to a determination by the secretary pursuant to this regulation shall not be included on a daily position report, shall not be included in an examination, and shall not be used to cover a warehouse receipt or any other liability. (Authorized by and implementing K.S.A. 34-102; effective P-_____.)

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K.A.R. 4-25-23. Disciplinary actions. (a) Each public warehouseman who is determined by the secretary during an examination to have failed to comply with any provision of the act shall be issued a report of conditions detailing each violation.

(b) Each public warehouseman who is issued a report of conditions shall, within 15 days of the issuance of the report of conditions, provide a report to the secretary detailing how the public warehouseman has remedied or plans to remedy each violation that was cited in the report of conditions.

(c) Each public warehouseman who fails to respond to a report of conditions within 15 days of its issuance as specified in subsection (b) shall be subject to further disciplinary action. The further disciplinary action may include the temporary suspension or revocation of the public warehouseman's license or any other action deemed appropriate by the secretary.

(d) Nothing in this regulation shall limit the power of the secretary to take disciplinary action against any public warehouseman to the fullest extent pursuant to the act if the secretary determines that doing so is necessary or is in the public interest. (Authorized by K.S.A. 34-102; implementing K.S.A. 34-102 and K.S.A. 34-230; effective P-_____.)

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